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Refer to File Number: 3968-20080200-PLC

5 Attorneys for Defendant
FIRST FEDERAL BANK OF CALIFORNIA

IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

11 DEBORAH E. JOHNSON and
GERALD D. JOHNSON.

CASE NO. C08-00264PVT

[Ordered Related to Case No. 08-01796
PVT]

13 || Plaintiffs.

DECLARATION OF CAROL BAXTER
IN SUPPORT DEFENDANT'S REPLY
TO OPPOSITION TO MOTION TO
DISMISS PLAINTIFFS' AMENDED
COMPLAINT AND COMPLAINT IN
RELATED CASE

15 FIRST FEDERAL BANK OF CALIFORNIA

18 Defendant.

Hearing:
Date : June 3, 2008
Time: 10:00 a.m.
Courtroom: 5

Patricia V. Trumbell, Magistrate

21 I, CAROL A. BAXTER, hereby declare as follows:

22 1. I am employed by First Federal Bank of California (hereinafter,
23 “Movant” or “Defendant”) as its Senior Vice President, Loan Service Department. I am a
24 custodian of the books, records and files of Movant, as those records pertain to loans or
25 extensions of credit by Movant to Deborah Elizabeth Johnson (hereinafter,
26 “Respondent”). I have personally worked on said records, and as to the facts contained
27 herein, I know them to be true of my own personal knowledge or I have gained
28 knowledge of them from the records of Movant which are prepared and maintained in the

1 ordinary course of its business, at or near the time of the acts or occurrences depicted or
2 represented by such records. If called upon as a witness, I could and would competently
3 testify to the facts contained herein, as I have personal knowledge thereof.

4 2. The records of Respondent are made in the ordinary course of Movant's
5 business by persons with a business duty to Movant to make such records. The records
6 were made at or near the time of the occurrence of the event which they purport to
7 memorialize.

8 3. Movant's records are kept on a computer system and organized by
9 account number, including records of all contacts made by entities or individuals involved
10 in a particular loan transaction. Similarly, a record of all payments received by Movant
11 are processed into Movant's computer system indicating the date on which the payment
12 was received, its application to an outstanding loan, the balance remaining due and owing
13 after application of such proceeds, and whether a late charge is applicable based upon the
14 date the payment was made.

15 4. Movant's books and records for Respondent's accounts herein were kept
16 in the manner described above.

17 5. In connection with my review of the subject account, I have reviewed
18 and am familiar with the records related to certain real property commonly known as 2nd
19 Avenue 2NE of Dolores Street, Carmel, California 93921 (hereinafter, "Property").

20 6. I have been informed that in their Opposition to Defendant's Motion to
21 Dismiss the First Amended Complaint, the Plaintiffs have implied that Pacific Mortgage
22 Consultants, Inc. ("PCM") was an agent of the bank because the bank paid a rebate to
23 PCM in conjunction with the subject loan. I am very familiar with these rebate programs.

24 7. The rebate fee is the fee that the broker is paid for brokering the loan.
25 Typically, a broker has the ability to earn a rebate of up to 3.25% of the loan face amount,
26 paid by the lender. The broker works with the borrower in selecting the rate, and the
27 rebate is affected by the rate. If the rate is lower for a borrower, the rebate tends to be less
28 because the lender is making less over the term of the loan. The broker needs to be

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P. 003

1 competitive so they can't automatically put a borrower into a program that offers the
2 highest rebate because then the rate would be higher, and the borrower would be inclined
3 to take her business elsewhere.

4 8. Attached hereto as Exhibit "1" and incorporated herein by reference are
5 true and correct copies of the following documents, which should demonstrate to the
6 Court that the rebate fee was paid to the borrower's broker as part of the subject loan: (1)
7 Borrower/Escrow Instructions; (2) Settlement Statement; (3) Mortgage Loan Disclosure
8 Statement/Good Faith Estimate; (4) Loan Document Request Form; (5) Mortgage Loan
9 Origination Agreement; and (6) Loan Submission Sheet.

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11 I declare under penalty of perjury under the laws of the United States of
12 America that the foregoing is true and correct.

13 Executed on May 11, 2008, at Santa Monica, California.

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CAROL A. BAXTER
Declarant

EXHIBIT 1

MAY-16-2008 FRI 09:15 AM

P. 001

First Federal Bank of California
6053 W. Century Boulevard, St 400 4th Floor
Los Angeles, CA 90045

Loan No.: 49792970

PLEASE RETURN DOCUMENTS TO THE ATTENTION OF: Tom Kronlage

BORROWER/ESCROW INSTRUCTIONS

Old Republic Title
2205 Fourth St.

Date: May 5, 2005
Your Escrow No.: 1114001775
Our Loan No.: 49792970
Application No.: 123456937169
Reply To: Tom Kronlage
Telephone: (310) 665-2341
Fax: (310) 260-4053

Livermore, CA 94550

ATTN: Theresa Negro
(925)443-1400

We enclose loan documents as indicated below to be signed by the Borrowers therein designated, in the exact manner as the names are set forth. DO NOT allow the loan documents to leave your possession, except to be recorded or to be returned to us (and even then only with proper safeguards). DO NOT make or accept any changes, alterations and/or additions to our loan documents. Should there be errors of any nature, contact First Federal immediately and we will forward corrected documents. Client copies of all documentation are enclosed.

1. BORROWER - ESCROW INSTRUCTION - R
2. NOTE - CODI W PAY RATE (110% OR 125%)
3. PREPAY RIDER - CLASSIC 3 YEAR REBATE
4. DEED OF TRUST (PORTFOLIO)
5. TRUTH IN LENDING
6. NOTICE OF RIGHT TO CANCEL- VMP D064
7. REQUEST FOR TAX PAYER ID
8. ERROR AND OMISSION
9. SIGNATURE / NAME AFFIDAVIT
10. BORROWER'S CERT & AUTHORIZATION

11. RESPA SERVICING DISCLOSURE
12. CUSTOMER IDENTIFICATION PROGRAM CIP

READ, APPROVED AND ACCEPTED

BY: Deborah E. Goff
Deborah E. Goff

by Deborah E. Goff, as her attorney in fact

All documents are subject to recall from our office prior to recordation of the deed of trust. All fully executed loan documents, original conditions and insurance requirements must be received by our Loan office located at 6053 W. Century Blvd., St 400, 4th Floor, Los Angeles, CA, for review and approval, no later than 10:00 a.m. local time the day prior to funding. Our proceeds will be in the form of a wire transfer. Any request for a wire transfer must be made by 10:00 a.m. local time the day prior to funding. Our offer to fund this loan expires on 06/27/2008.

YOU ARE REQUIRED TO FORWARD THE FOLLOWING ITEMS TO THIS BANK PRIOR TO FUNDING FOR OUR APPROVAL:

1. All loan documents, properly signed, except the Deed of Trust, Riders to the Deed of Trust, and Absolute Assignment of Rents & Leases which you may hold for recording, and RETURN A CERTIFIED COPY only to us. Certified copies of all notes and deeds of trust to record or to remain of record along with any subordination thereof. Secondary financing is not to exceed None and must be subordinate to the deed of trust in our favor.
2. A preliminary title report, plotted plat map, ALTA report and documentary evidence from title insurer showing any transfer of the real estate security by deed recorded within six (6) months prior to the preliminary report. All supplemental and updated reports are also to be forwarded.
3. Certified copy of your signed escrow instructions, including all supplements or amendments (including those regarding sales and/or loan commissions covering this property). If you are handling or have any knowledge of any other transaction on or related to the subject property which will record concurrently, is contingent on this escrow, will open or close immediately upon completion of this escrow, or which will transfer the same property, YOU MAY NOT close this escrow without our written consent. DO NOT request funds or authorize recording of our documents without receiving our written approval if you have information, or receive instructions, verbal or written, which will in any way alter the reported sales price or cash down payment.
4. This loan is subject to receipt of a Flood Certification issued by our designated flood service company and may require flood insurance. If the property lies within a designated flood zone, we require minimum coverage of the loan amount or amount available, whichever is lower. If Flood Insurance is necessary we will require a copy of the completed Flood Insurance application and the receipt showing the premium PAID IN FULL/PREPAID (premium cannot be paid through escrow). Impounds will be required for flood insurance if the Bank is impounding for any other item.

MAY-16-2008 FRI 09:16 AM

P. 002

Loan No.: 49792970

5. Evidence of hazard insurance, signed and completed by Agent. On Condominiums and PUDs we require a copy of the declaration page of the master policy issued to the Homeowners Association as well as a certificate of insurance for the individual unit. On all loans we require an original policy, binder or evidence of insurance prior to funding. All policies to contain Lenders Loss Payable, 438BFL and Cancellation Clause. The minimum amount of hazard insurance required is equal to the lesser of the replacement value of the improvements or the loan amount.

Lenders Loss Payable Endorsement to read as follows:
FIRST FEDERAL BANK OF CALIFORNIA, IT SUCCESSORS & ASSIGNS
 P.O. Box 2130
 Santa Monica, CA 90407-2130

The insurer must have a minimum of: A Class 5 or B+ Class 9 or better in the latest Best's Key Rating Guide. Policy term must be for a minimum of one (1) year with no less than 30 days remaining to expiration. New premiums must be prepaid in escrow. On properties with 5 or more units and all commercial buildings, we require Fire & Extended Coverage with Vandalism & Malicious Mischief, and \$1,000,000 General Liability coverage. On all rental properties we require Loss of Rent coverage equal to 6 months renta.

If insurance is to be issued by **CALIFORNIA FAIR PLAN**, we require the original Fair Plan policy or Fair Plan's Binder Letter signed by a Fair Plan representative prior to funding. Applications are not acceptable.

YOU MAY REQUEST FUNDS WHEN YOU ARE IN A POSITION TO PROVIDE THIS BANK WITH THE FOLLOWING:

1. Water Stock, if any, assigned to this Bank as First Pledgee for the Borrower.
2. 1970 or 1970/rev. '84 (without Arbitration Provision) ALTA Lenders policy of Title Insurance (Issued by a company acceptable to First Federal) with Endorsement No. 100 (without deletion), 110.8/110.9 and 116, 111.8,100.12/#5

with a liability of \$ 1,050,000.00 (NOTE: This amount may be greater than the loan amount if the loan documents allow negative amortization), showing title vested in the names of:

Deborah E. Johnson, a married woman as her sole and separate property

subject only to General and Special taxes for the fiscal year
 and exceptions 1, 3-6 as set forth in preliminary title report from
 Old Republic Title dated 02/10/2005, Order No. 0707003629 covering property known as

2nd Ave 2 NE of Dolores Street, Carmel, CA 93921

3. Deed of Trust in favor of First Federal Bank of California in the amount of \$ 840,000.00 to record as a first
 lien of record. The first payment of \$ 3,168.20 including interest at 6.786% per annum, plus Impounds for
 taxes, insurance, and private mortgage insurance premium if any will be due on July 1, 2005. Payment
 information will be mailed to Borrowers at close of escrow.
 Monthly Impound Payment: \$ 0.00
 Total Monthly Payment: \$ 3,168.20

This payment may not constitute a fully amortized payment since it is based upon an initial pay rate
 which is less than the interest rate. The principal and interest amount necessary to make a fully amortized first
 payment at the interest rate stated in the Note is \$4,926.59.

MAY-16-2008 FRI 09:16 AM

P. 003

Loan No.: 49792970

4. Certified copy of your closing statement to Borrowers, or RESPA/HUD 1 Statement when applicable, is to be forwarded to us immediately upon closing of your escrow. Use of our loan proceeds is contingent upon our receipt of a certified copy of the buyer's and seller's closing statement or RESPA/HUD 1 at the close of escrow, containing all required information, including the specific settlement service providers as shown below.

CALCULATION OF LOAN PROCEEDS TO BE DISBURSED ON BEHALF OF OUR BORROWER:

WE WILL WITHHOLD from the total loan amount

811 FFB Underwriting Fee	\$300.00
812 Tax Certification Fee (LandAmerica*)	\$60.00
815 Flood Determination Fee (LandAmerica*)	\$14.00
816 Wire Transfer Fee	\$35.00
817 FFB Document Preparation	\$260.00

*In accordance with 24 CFR 3500.9 and these instructions, the HUD-1 settlement statement must be on the proper OMB form (R2502-285) and must include the above specific provider information.

Interest from end including date of disbursement of our funds TO 06/01/2008 at a rate of \$133.39 per day will be deducted from our loan funds.

WE WILL INCLUDE in the net proceeds the Broker Rebate paid by First Federal in the amount of \$16,800.00 which you are authorized to release to the Broker listed below upon verification of the recordation of the deed of trust in our favor. For disclosure purposes, you must add this Broker Rebate to the RESPA/HUD 1 Settlement Statement. Broker payments and/or concessions, such as fee reductions, to Borrower are not acceptable without written approval from First Federal and the loan may not be funded without such approval. Any such payment or concession without Bank approval may violate loan terms and conditions. The Broker name, address and telephone number are as follows:

Pacific Mortgage Consultants Inc
700 Larkspur Landing Cir
Suite 275
Larkspur, CA 94939
Phone #: (925)583-1772

YOU WILL COLLECT from the Borrower the following loan related fees which you are then authorized to release to the above referenced Broker upon verification of the recordation of the deed of trust in our favor:

808 Mortgage Broker Appraisal Fee	\$50.00
813 Mortgage Broker Processing Fee	\$690.00
814 Mortgage Broker Misc. Fees	\$495.00

When you can comply with these instructions, and when all other terms and conditions of our loan have been met, the net proceeds will be forwarded to: Old Republic Title

MAY-16-2008 FRI 09:16 AM

P. 004

Loan No.: 49792970

BORROWER(S) UNDERSTAND AND AGREE FURTHER THAT IN ADDITION TO THE ABOVE REQUIREMENTS, THE FUNDING OF THIS LOAN IS FURTHER CONDITIONED UPON OUR RECEIPT AND APPROVAL OF THE FOLLOWING:

If loan does not fund by May 10, 2006, an updated Title Report will be required.

Signed and certified copies of all escrow instructions and any amendments thereto.

Escrow Amendment re: Property Address to show same as on preliminary title report

Escrow Amendment re: Loan Amount, Lender, Rate and Terms

Satisfactory Evidence of Insurance must be in our office prior to funding

Updated Preliminary Title Report needed if not within 90 days prior to Funding.

Copies of all demands for payoff of existing liens showing no delinquencies

Level of debt too high (cards are maxed out). Payoff a must: American Express \$20819 & \$10352 & \$2791; HSBC Bank \$14418

Loan priced up 10bp for LTV >70%

Escrow certified copy of Grant Deed

Estimated Closing Statement to reflect all Broker Fees including Rebate

Certified Copy of Quit Claim Deed.

WE REQUIRE FIRST INSTALLMENT TAXES BE PAID THROUGH ESCROW ON LOANS RECORDING ON OR AFTER OCTOBER 1ST OF EACH YEAR; SECOND INSTALLMENT TAXES MUST BE PAID THROUGH ESCROW ON LOANS RECORDING ON OR AFTER JANUARY 1ST OF EACH YEAR.

The first regular monthly loan payment is due according to the terms of the Note. If the loan closes with less than 30 days remaining until the first scheduled payment, a billing statement/coupon may not be received by the Borrowers prior to the payment due date. However, the Borrowers are still responsible for the timeliness of the first payment. The Borrowers may make a payment without a billing statement/coupon by noting the loan number on the payment check and mailing the check to: First Federal Bank of California, 401 Wilshire Boulevard, Santa Monica, CA 90401, Attn: Loan Service Department.

The net proceeds of the loan, after deduction and/or payment of the foregoing items set forth on page two, shall be paid to the title company for credit of Borrower in Old Republic Title Escrow No. 1114001776

MAY-16-2008 FRI 09:17 AM

P. 005

Loan No. 49792970

Each of the undersigned, in executing these instructions and Bank's documents, hereby acknowledge that they have read and fully understand the conditions and instructions herein and approve, accept and agree to be bound thereby.

BORROWERS

Deborah E. Johnson, By Gerald D. Johnson,
Deborah E. Johnson
as her attorney in fact

Escrow holder acknowledges receipt of Lender's instructions. Escrow holder does not accept any portion of the instructions contained herein requiring the performance of obligations or duties exceeding those imposed by California statutory authority, or which require escrow holder to assume liability for the Lender's regulatory responsibilities.

TMM
Escrow Officer
Old Republic Title Company

If escrow is not closed on or before 06/27/2008 you will return all documents to this office. If the loan is cancelled, you will collect and forward to us cancellation fees for the following: credit report, appraisal, flood search, processing, documents, and underwriting as shown above. WE ARE TO BE AT NO EXPENSE IN CONNECTION WITH THIS TRANSACTION.

FIRST FEDERAL BANK IS TO BE INFORMED OF ANY DEMANDS RECEIVED IN ESCROW FOR ITEMS OTHER THAN LIENS AGAINST SUBJECT PROPERTY APPEARING IN THE PRELIMINARY TITLE REPORT.

WE WILL NOT ACCEPT ANY DEVIATION FROM THESE INSTRUCTIONS UNLESS WE HAVE INDICATED OUR CONSENT IN WRITING TO ANY SUCH CHANGE.

We ask that you acknowledge receipt of the enclosures herein and your complete understanding of all instructions and conditions by signing and returning these instructions.

Instructions and enclosures acknowledged and agreed upon:

Old Republic Title

FIRST FEDERAL BANK OF CALIFORNIA

By: _____
Theresa Nigro

By: _____
Tom Kronlage

MAY-16-2008 FRI 09:17 AM

P. 001/004

A. Settlement Statement

U.S. Department of Housing
and Urban Development

OLD REPUBLIC TITLE COMPANY

OMB No. 2502-
D265

B. TYPE OF LOAN

1. FHA 2. FmHA 3. Conv. Unins.

6. File Number

1114001775-TN

7. Loan Number

49792970

8. Mortgage Insurance

Case Number

4. VA 5. Conv. Ins.

C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. Name and Address of Borrower
Deborah E. Johnson
PO Box 4448
Carmel, CA 93921

E. Name and Address of Seller

F. Name and Address of Lender
First Federal Bank of California
(See Attachment to Hud Statement)We hereby certify that this
is a true and correct copy
of the original.G. Property Location
2nd Avenue 2 NE of Dolores Street
Carmel, CA 93921

Old Republic Title Co.

H. Settlement Agent
Old Republic Title Company

I. Settlement Date

5/16/2005

J. SUMMARY OF BORROWER'S TRANSACTION

K. SUMMARY OF SELLER'S TRANSACTION

100. GROSS AMOUNT DUE FROM BORROWER

400. GROSS AMOUNT DUE TO SELLER

101. Contract sales price	401. Contract sales price
102. Personal property	402. Personal property
103. Settlement charges to borrower (line 100)	7,762.05 403.
104. Misc. Disbursement to HSBC	14,416.00 404.
105. Misc. Disbursement to American Express	10,196.21 405.
Misc. Disbursement to American Express	2,741.75
Misc. Disbursement to American Express	20,501.98
MISC. (see attached)	782,141.70

Adjustments for items paid by seller in advance

106. City/town taxes	to
107. County taxes	to
108. Assessments	to
109.	
110.	
111.	
112.	
113.	
114.	

Adjustments for items paid by seller in advance

106. City/town taxes	to
107. County taxes	to
108. Assessments	to
109.	
110.	
111.	
112.	
113.	
114.	

120. GROSS AMOUNT DUE FROM BORROWER

837,759.69

420. GROSS AMOUNT DUE TO SELLER

200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER

500. REDUCTIONS IN AMOUNT DUE TO SELLER

201. Deposit or earnest money	501. Excess deposit (see instructions)
202. Principal amount of new loan 1st	840,000.00 502. Settlement charges to seller (line 1400)
203. Existing loan(s) taken subject to	503. Existing loan(s) taken subject to
	504. Payoff of first mortgage loan
	505. Payoff of second mortgage loan
	506.
	507.
	508.
	509.

Adjustments for items unpaid by seller

210. City/town taxes	to
211. County taxes	to
212. Assessments	to
213.	
214.	
215.	
216.	
217.	
218.	
219.	

Adjustments for items unpaid by seller

210. City/town taxes	to
211. County taxes	to
212. Assessments	to
213.	
214.	
215.	
216.	
217.	
218.	
219.	

220. TOTAL PAID BY/FOR BORROWER

840,000.00

520. TOTAL REDUCTION AMOUNT DUE SELLER

300. CASH AT SETTLEMENT FROM/TO BORROWER

600. CASH AT SETTLEMENT TO/FROM SELLER

301. Gross amount due from borrower (line 120)	837,759.69
302. Less amounts paid by/for borrower (line 220)	(840,000.00)

601. Gross amount due to seller (line 420)	
602. Less reductions in amount due seller (line 520)	()

303. CASH FROM TO BORROWER

2,240.31

603. CASH TO FROM SELLER

Section 5 of the Real Estate Settlement Procedures Act (RESPA) requires the following: • HUD must develop a Special Information Booklet to help persons borrowing money to finance the purchase of residential real estate to better understand the nature and costs of real estate settlement services; • Each lender must provide the booklet to all applicants from whom it receives or for whom it prepares a written application to borrow money to finance the purchase of residential real estate; • Lenders must prepare and distribute with the booklet a Good Faith Estimate of the settlement costs that the borrower is likely to incur in connection with the settlement. These disclosures are mandatory.

Section 4(e) of RESPA mandates that HUD develop and prescribe this standard form to be used at the time of loan settlement to provide full disclosure of all charges imposed upon the borrower and seller. These are third party disclosures that are designed to provide the borrower with pertinent information during the settlement process in order to be a better shopper.

The Public Reporting Burden for this collection of information is estimated to average one hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. The information requested does not lend itself to confidentiality.

HUD-1 (S-86)

RESPA, HB 4305.2

MAY-16-2008 FRI 09:17 AM

P. 002/004

Escrow No.: 1114001775-TN

L. SETTLEMENT CHARGES			
700. Total sales/broker's commission based on price \$	@ %	Paid From Borrower's Funds At Settlement	Paid From Seller's Funds At Settlement
Division of commission (line 700) as follows:			
701.			
702.			
703. Commission disbursed at settlement			
704.			
800. ITEMS PAYABLE IN CONNECTION WITH LOAN			
801. Loan Origination Fee			
802. Loan Discount			
803. Appraisal Fee to PMC		50.00	
804. Credit Report			
805. Lender's Inspection Fee			
806. Mortgage Insurance Application Fee			
807. Assumption Fee			
808. FFB Underwriting Fee		300.00	
809. Tax Certification Fee to LandAmerica		60.00	
810. Flood Determination Fee to LandAmerica		14.00	
811. Wire Transfer Fee to FFB		35.00	
812. FFB Document Preparation Fee		250.00	
813. Broker Processing Fee to PMC		690.00	
814. Broker Misc. Fee to PMC		485.00	
See attached			
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE			
901. Interest, 05/13/05 to 06/01/05, 19 days @ \$133.39		2,534.41	
903. Hazard Insurance premium for 12 mos. to Allstate Insurance		774.69	
1000. RESERVES DEPOSITED WITH LENDER			
1100. TITLE CHARGES			
1101. Settlement or closing fee to Old Republic Title Company		350.00	
1106. Notary Fees			
1108. Title Insurance to Old Republic Title Company		1,905.75	
(Includes above item numbers: 1102, 1103, 1108, Indorsements and Additional Title Fees, if any)			
1109. Lender's coverage \$	1,905.75		
1110. Owner's coverage \$			
1111. CLTA 110.9 Endorsement		25.00	
1112.			
1113.			
1114.			
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES			
1201. Recording fees: Deed \$ 11.00 Mortgage \$ 32.00	Released \$	43.00	
1202. City/county tax/stamps: Deed \$	Mortgage \$		
1203. State tax/stamps: Deed \$	Mortgage \$		
1204.			
1205. Power of Attorney		16.00	
1300. ADDITIONAL SETTLEMENT CHARGES			
1301.			
1302.			
1303. Doc Prep Deed to Old Republic Title Company		50.00	
1304. Additional Check Charge to Old Republic Title Company		49.00	
1305. Overnight Service Fee to Old Republic Title Company		19.20	
1306. Additional Processing Fee - e-mail to Old Republic Title Company		25.00	
1307. Wire Service Fee to Old Republic Title Company		25.00	
1308. Special Courier Service Fee to Old Republic Title Company		50.00	
1309.			
1310.			
1400. TOTAL SETTLEMENT CHARGES (enter on lines 103, Section J and 502, Section K)		7,762.05	0.00
To the best of my knowledge, the HUD-1 Settlement Statement which I have prepared is a true and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of the transaction.			
Escrow Officer	Date		

MAY-16-2008 FRI 09:18 AM

P. 003/004

Escrow No.: 1114001775-TN
Loan No.: 49792970

Attachment to HUD Statement

NAME OF LENDER

First Federal Bank of California
6053 W. Century Blvd., #400, 4th Floor
Los Angeles, CA 90045

===== Continuation from Page 1 =====

BUYER ADJUSTMENTS

PAYOUT EXISTING LOAN 782,141.70

AMOUNTS PAID BY OR IN BEHALF OF BORROWER

DEPOSIT OR EARNEST MONEY -- LINE 201

PRINCIPAL AMOUNT OF NEW LOAN(S) -- LINE 2

First Federal Bank of California
6053 W. Century Blvd., #400, 4th Floor
Los Angeles, CA 90045
Loan No.: 49792970
Position: 1

Principal amount 840,000.00

SELLER ADJUSTMENTS

MAY-16-2008 FRI 09:18 AM

OLD REPUBLIC TITLE COMPANY

2208 Fourth Street • Livermore CA • 94550 • (825) 443-1400 • (825) 447-8247

Date: 5/16/05
Escrow No.: 1114001775-TM
Escrow Officer: Theresa Negro
Closing Date: 5/16/2005

Property: 2nd Avenue 2 NE of Dolores Street
Carmel, CA 93921

Additional Charges Attachment

TN/m

MAY-16-2008 FRI 09:18 AM

P. 001/002

Calyx Software

MORTGAGE LOAN DISCLOSURE STATEMENT/GOOD FAITH ESTIMATE

Date Prepared: 05/04/2008

Borrower's Name(s): **Deborah E Johnson**Real Property Collateral: the intended security for this proposed loan will be a Deed of Trust on (street address or legal description)
2nd Avenue 2 NE of Dolores Street Carmel, CA 93921-4448This joint Mortgage Loan Disclosure Statement/Good Faith Estimate is being provided by **California Funding Group**, a real estate broker acting as a mortgage broker, pursuant to the Federal Real Estate Settlement Procedures Act (RESPA) and similar California law. In a transaction subject to RESPA, a lender will provide you with an additional Good Faith Estimate within three business days of the receipt of your loan application. You will also be informed of material changes before settlement/closing of escrow. The name of the intended lender to whom your loan application will be delivered is: Unknown (Name of lender, if known)**GOOD FAITH ESTIMATE OF CLOSING COSTS**

The information provided below reflects estimates of the charges you are likely to incur at the settlement of your loan. The fees, commissions, costs and expenses listed are estimates; the actual charges may be more or less. Your transaction may not involve a charge for every item listed and any additional items charged will be listed. The numbers listed beside the estimate generally correspond to the numbered lines contained in this HUD-1 Settlement Statement which you will receive at settlement if this transaction is subject to RESPA. The HUD-1 Settlement Statement contains the actual costs for the items paid at settlement. When this transaction is subject to RESPA, by signing page two of this form you are also acknowledging receipt of the HUD Guide to Settlement Costs.

HUD-1 Item	Paid to Others	Paid to Broker
800 Items Payable in Connection with Loan		
801 Lender's Loan Origination Fee	\$ 400.00	
802 Lender's Loan Discount Fee		
803 Appraisal Fee		
804 Credit Report		
805 Lender's Inspection Fee		
808 Mfg Broker Commission/Fee		
809 Tax Service Fee		
810 Processing Fee	\$ 300.00	\$ 600.00
811 Underwriting Fee	\$ 160.00	
812 Wire Transfer Fee		
813 Admin Fee		\$ 495.00
814 Doc Prep	\$ 250.00	
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900 Items Required by Lender to be Paid in Advance		
901 Interest for 45 days at \$ 80,1667 per day	\$ 2,267.50	
902 Mortgage Insurance Premiums	\$ 0.00	
903 Hazard Insurance Premiums		
904 County Property Taxes		
905 VA Funding Fee		
1000 Reserves Deposited with Lender		
1001 Hazard Insurance: months at \$ /mo.		
1002 Mortgage Insurance: months at \$ /mo.		
1003 Saled Tax: months at \$ /mo.		
1004 Co. Property Taxes: months at \$ /mo.		
1005 Flood Insurance: months at \$ /mo.		
1006		
1100 Title Charges		
1101 Settlement or Closing/Escrow Fee	\$ 350.00	
1102 Document Preparation Fee	\$ 100.00	
1103 Notary Fee	\$ 150.00	
1104 Title Insurance:	\$ 1,678.00	
1105 Wires/Courier/Endorsements	\$ 250.00	
1106		
1200 Government Recording and Transfer Charges		
1201 Recording Fees:	\$ 75.00	
1202 City/County Tax/Stamp:		
1300 Additional Settlement Charges		
1302 Pest Inspection		
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P. 002/002

ADDITIONAL REQUIRED CALIFORNIA DISCLOSURES

I. Proposed Loan Amount:

Initial Commissions, Fees, Costs and Expenses Summarized on Page 1:	\$ 7,104.50
Payment of Other Obligations (List):	
Credit Life and/or Disability Insurance (see VI below):	\$
Purchase Price / Payoff:	\$ 783,763.00
	\$
	\$

Subtotal of All Deductions:	\$ 790,867.50
Estimated Cash at Closing	<input checked="" type="checkbox"/> To You <input type="checkbox"/> That you must pay
	\$ 49,132.50

II. Proposed Interest Rate: 2.150 % Fixed Rate Initial Variable RateIII. Proposed Loan Term: 360/360 Year Months

IV. Proposed Loan Payments: Payments of \$ 3,168.19 will be made Monthly Quarterly Annually for 360 (number of months, quarters or years). If proposed loan is a variable interest rate loan, this payment will vary (see loan documents for details).

The loan is subject to a balloon payment. No Yes. If Yes, the following paragraph applies and a final balloon payment of \$ _____ will be due on _____ [estimated date (month/day/year)].

NOTICE TO BORROWER: IF YOU DO NOT HAVE THE FUNDS TO PAY THE BALLOON PAYMENT WHEN IT COMES DUE, YOU MAY HAVE TO OBTAIN A NEW LOAN AGAINST YOUR PROPERTY TO MAKE THE BALLOON PAYMENT. IN THAT CASE, YOU MAY AGAIN HAVE TO PAY COMMISSIONS, FEES, AND EXPENSES FOR THE ARRANGING OF THE NEW LOAN. IN ADDITION, IF YOU ARE UNABLE TO MAKE THE MONTHLY PAYMENTS OR THE BALLOON PAYMENT, YOU MAY LOSE THE PROPERTY AND ALL OF YOUR EQUITY THROUGH FORECLOSURE. KEEP THIS IN MIND IN DECIDING UPON THE AMOUNT AND TERMS OF THIS LOAN.

V. Prepayments: The proposed loan has the following prepayment provisions.

- No prepayment penalty.
- Other (see loan documents for details).
- Any payment of principal in any calendar year in excess of 20% of the original balance unpaid balance will include a penalty not to exceed _____ months advance interest at the note rate, but not more than the interest that would be charged if the loan were paid to maturity (see loan documents for details).

VI. Credit Life and/or Disability Insurance: The purchase of credit life and/or disability insurance by a borrower is NOT required as a condition of making this proposed loan.

VII. Other Liens: Are there liens currently on this property for which the borrower is obligated? No Yes. If Yes, describe below:

Lienholder's Name	Amount Owing	Priority
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Liens that will remain or are anticipated on this property after the proposed loan for which you are applying is made or arranged (including the proposed loan for which you are applying):

Lienholder's Name	Amount Owing	Priority
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NOTICE TO BORROWER: Be sure that you state the amount of all liens as accurately as possible. If you contact with the broker to arrange this loan, but it cannot be arranged because you did not state these liens correctly, you may be liable to pay commissions, costs, fees, and expenses even though you do not obtain the loan.

VIII. Article 7 Compliance: If this proposed loan is secured by a first deed of trust in a principal amount of less than \$30,000 or secured by a junior lien in a principal amount of less than \$20,000, the undersigned licensee certifies that the loan will be made in compliance with Article 7 of Chapter 3 of the Real Estate Law.

A. This loan may will will not be made wholly or in part from broker controlled funds as defined in Section 10241(j) of the Business and Professions Code.

B. If the broker indicates in the above statement that the loan "may" be out of broker-controlled funds, the broker must inform the borrower prior to the close of escrow if the funds to be received by the borrower are in fact broker-controlled funds. DRE license information telephone number: 916-227-0770

Name of Broker	License #	J. Michael Galloway	Broker's Representative	License #
2368 Research Drive				
Livermore, CA 94550				
Broker's Address				

IX. NOTICE TO BORROWER: THIS IS NOT A LOAN COMMITMENT. Do not sign this statement until you have read and understood all of the information in it. All parts of this form must be completed before you sign. Borrower hereby acknowledges the receipt of a copy of this statement.

Borrower	Date	OR Signature of Representative	Date
Review completed on <u>10/06/08</u> by <u>DMG</u>		Broker or Designated Representative	Dept. of Real Estate License #

MAY-16-2008 FRI 09:19 AM

P. 001/001

Please Doc Today! 



**FIRST FEDERAL BANK
OF CALIFORNIA**

LOAN DOCUMENT REQUEST FORM

CONTACT AND LOAN INFORMATION:

Broker Company: Pacific Mortgage Contact Name: Sandy
 Phone #: 925 583-1772 Broker E-mail Address: Sandie@calfundinggroup.com
 Borrower Name OR LAR #: Deborah Johnson, Account Coordinator: Deborah Lewis

LOAN PROGRAM, RATE & FEES:

Loan Program: Fixed Advantage 60 Fixed Advantage 36 Standard Monthly Adjustable

Loan Amount: \$200,000 Term/Month: 360/480 INDEX: CODL CORI 12MAT

Initial Pay Rate: 2.150 Margin: 3.8 Life Cap: 10.150

Broker Rebate*: 0.005 % + .250 (Check if .250 VIVA Rebate Increase Applicable) = 0.250 %

Broker Points*: See Wholesale Loan Approval Sheet for final Prepayment Penalty.

(*Rebates and points may not exceed 4.0 pts. + \$350 or an VIVA 4.25 pts. + \$350 of the loan amount. Please initial these below. Rebates of 0.500 or higher and/or loan amounts > than \$1 Million automatically have a prepayment penalty. Underwriter may require a Classic Prepayment Penalty - at their discretion. Max 80% LTV for base rebates > 2.00% on SIVA or VIVA).

Amount	Due	POD	Amount	Due	POD
Appraisal Fee <u>400</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Processing Fee <u>1000</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Credit Report Fee <u>100</u>	<input type="checkbox"/>	<input type="checkbox"/>	Misc. Fee <u>445</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ARM			ARM		

If your LTV is 80% or below and you want 110% negative amortization (versus the standard 125%), please check here

CONDITIONS:

Estimated HUD-1: ✓ (Satisfied)
 ✓ First Federal Fees must be correct ✓ (Satisfied)

Loan Fee
Underwriting: \$300
Doc Review: \$250
Pre-Funding: \$100
Doc: \$250

IMPOUNDS*:**

YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
Hazard Insurance <input type="checkbox"/>	<input checked="" type="checkbox"/>
Taxes <input type="checkbox"/>	<input checked="" type="checkbox"/>

***Impounds required on LTVs of 90% or greater. Note: California Fair Plan requires the original insurance policy.

VESTING / ESCROW INSTRUCTIONS:

Complete Vesting: Deborah E. Johnson, a married woman
as her sole & separate property

REDUCED DOCUMENT LOAN CERTIFICATION:

By signing below, the undersigned ("Broker") hereby certifies that Broker does not know or have any reason to believe that the applicant(s) would not qualify if full documentation were required.

RESPA COMPLIANCE CERTIFICATION:

By signing below, the undersigned ("Broker") hereby certifies under penalty of perjury under the laws of the State of California that Broker is familiar with the provisions of the Real Estate Settlement Procedures Act ("RESPA") and the guidelines issued by the U.S. Housing and Urban Development Department (the "HUD Rules") regarding RESPA, and, in particular, is familiar with Section 8 of RESPA governing payments in connection with settlement services. Broker represents that (i) Broker is in compliance with RESPA and the HUD Rules, (ii) in connection with the loan being submitted on this form, Broker has performed specific services which justify the fee to be paid to Broker in accordance with RESPA and the HUD Rules, and (iii) Broker is not aware of any payments to third parties which are not in compliance with RESPA and the HUD Rules.

Broker hereby certifies that all of Broker's fees have been disclosed to the Applicant(s)/Borrower(s), and that the Applicant(s)/Borrower(s) have consented to the Broker's fees.

Method of Delivery:

E-Mail (to Borrow Only): K.WARNER@ATC-CA.COM

OR

Fax: 925 583-1772

FedEx Account Number: 1234567890

Note the following:

- 1) Any changes to the loan program or rate may delay the ordering of documents.
- 2) File will be moved to the Document Department upon receipt of completed form (Broker of record*** must sign & date below; License # required).
- 3) A re-draw fee of \$250 will be charged if changes are received after documents are prepared.
- 4) Signed loan documents and complete original package must be in our office by 10:00 AM, the day before funding.
- 5) No facsimile documents will be accepted at time of funding.

Return the Loan Doc's to:

E-mail Address of the Title Co: K.WARNER@ATC-CA.COM (Northern California)

CERTIFICATION:

Authorized by (Broker***): Michael Galloway

Signature: Michael Galloway

Date: 5/4/05

Print Name: Michael Galloway

*** Broker of record or Broker's authorized (and DRE licensed) signer.

License #: 013744302

Expiration Date:

Please Fax to your Wholesale Loan Coordinator using the fax number listed on your Wholesale Loan Approval Sheet.

310.451.6556

Rev 2.11.05

Pacific Mortgage Consultants, Inc
700 Larkspur Landing Circle # 275 Larkspur, CA 94939
DRE License # 01378482 Expires 4/16/07

Mortgage Loan Origination Agreement

You (_____) agree to enter into this Mortgage Loan Origination Agreement with Pacific Mortgage Consultants/Broker to apply for a residential mortgage loan from a participating lender with which we from time to time contract upon such terms and conditions as you may request or a lender may require. You inquired into mortgage financing with Pacific Mortgage Consultants on _____, 20_____. We are licensed as a "Mortgage Broker" under the state laws of California.

Section 1. Nature of Relationship.

In connection with this mortgage loan:

- *We will enter into separate independent contractor agreements with various lenders.*
- *While we seek to assist you in meeting your financial needs, we do not distribute the products of all lenders or investors in the market and cannot guarantee the lowest price or the best terms available in the market.*

Section 2. Our Compensation.

The lenders whose loan products we distribute generally provide their loan products to us at a wholesale rate.

- *The retail price we offer you, your interest rate, total points and fees will include our compensation.*
- *In some cases, we may be paid all of our compensation by either you or the lender.*
- *Alternately, we may be paid a portion of our compensation by both you and the lender. For example, in some cases, if you rather pay a lower interest rate, you may pay higher up-front points and fees.*
- *Also in some cases, if you would rather pay less up-front, you may be able to pay some or all of our compensation indirectly through a higher interest rate in which case we will be paid directly by the lender.*

We also may be paid by the lender based on (1) the value of the Mortgage Loan or related servicing rights in the market place or (2) other services, goods or facilities performed or provided by us to the lender.

By signing below, applicant(s) acknowledge receipt of a copy of this signed Agreement.

MORTGAGE LOAN ORIGINATOR:

APPLICANTS:

<i>By Agent</i>	<i>Date</i>	<i>Phone Number</i>
<hr/>		<hr/>
<i>Printed Name</i>	<i>Applicant Signature</i>	<i>Date</i>
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<i>Printed Name</i>	<i>Co-Applicant Signature</i>	<i>Date</i>
<hr/>	<hr/>	<hr/>
<i>Address</i>	<i>City, State, Zip</i>	
<hr/>	<hr/>	

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MAY-16-2008 FRI 09:49 AM

P. 002



FIRST FEDERAL BANK OF CALIFORNIA

LOAN SUBMISSION SHEET

Account Executive Name: Wendell FFB Broker No: _____

Company Name: PMC
 Address: 22083 Research Dr. #100
 Address Notes: Address taken out on 103
 City: Laguna Beach, CA State: CA Zip: 92650
 Telephone No: 925-583-1772

Processor Name: Sandy
 Processor E-Mail: sandy@cal-fundinggroup.com
 Loan Officer Name: Michael
 Fax No: 925-294-9430

Borrower Name: Deborah Johnson
 Co-Borrower Name: _____

Subject Property Address: 2nd Ave, 2NE of Dolores St.
 City: Carmel State: CA Zip: 93921

Property Type: SFR PUD Condo 2 Units 3 Units 4 UnitsOccupancy: Owner Occupied 2nd Home Investment (SIVA & VIVA only)Loan Purpose: Purchase No Cash-Out Refinance (Rate/Term) Cash-Out RefinancePurchase Price/Value: \$1.2 milLoan Amount: 900K

870K 72.5%

Other Financing: \$0CLTV: 0%LTV: 75 %

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STEP 4 - PREPAYMENT PENALTY OPTIONS:																																																																																																																							
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<input checked="" type="checkbox"/> One Year Prepayment Penalty - VIVA/SIVA Owner Occupied PURCHASES ONLY (Max Rebate is 1 Point for One Year, 2% Prepay)																																																																																																																							
<input checked="" type="checkbox"/> Roll over the Prior Prepayment Penalty																																																																																																																							
(Prepayment Discount & Roll Over Form must be submitted)																																																																																																																							
Note: A One Year Prepayment Penalty may be required by Underwriter (3%, 2%, 1%)																																																																																																																							
(Typically required when more than 1 Prepay within 12 months)																																																																																																																							
Loans > \$1 Million automatically get a Robo Prepay of 0.00.																																																																																																																							
STEP 5 - CHOOSE NEGAM RECAST LIMIT* & IMPOUNDS:																																																																																																																							
<input type="checkbox"/> 100% Recast	<input checked="" type="checkbox"/> 125% Recast (<= 80.0% LTV)	<input checked="" type="checkbox"/>																																																																																																																					
(* - LOAN WILL RECAST AT CHOSEN PERCENTAGE OR 5 YEARS WHICHEVER OCCURS FIRST)																																																																																																																							
THE DEFAULT RECAST is 120% LTV or less is 120%, 110% RECAST REQUIRED ON PAY RATES OF 1.35% OR LESS OR LTV's > 80%*																																																																																																																							
MATCH YOUR RECAST LIMIT CHOSEN WITH YOUR DOC ORDER																																																																																																																							
<input type="checkbox"/> LTV's > 80%	<input type="checkbox"/> No MI (Included in the rate, allowed on VIVA and SIVA only)																																																																																																																						
(* - BPMI (Borrower Paid MI))																																																																																																																							
<input type="checkbox"/> Impounds	<input checked="" type="checkbox"/> Tax Impounds (required on LTV's greater than 80.0%)																																																																																																																						
(* - TREC Insurance Impounds)																																																																																																																							
<input type="checkbox"/> LMI Prepaid	<input type="checkbox"/> Contact your AB.																																																																																																																						
Informs your originator if the following applies (Owner Occupied only):																																																																																																																							
<input type="checkbox"/> Origination Prepaid	<input type="checkbox"/> Margin Increase																																																																																																																						
(* - 700 FICO on VIVA					> 85% LTV SIVA or VIVA					> 700 FICO on SIVA					> 10 bps					> 10 bps					> 10 bps					NOTICE: See Prep Notice for LTV. See Rate sheet for additional add's and deduct's to raise. Non-Owner loans are only available on the Standard Monthly Adjustable.					STEP 6 - TOTAL RATES FROM RATE SHEET:					Date of Rate sheet: <u>5-986</u> %					Fully Indexed/Fully Amortized Qual. Rate: <u>5-986</u> %					IOK to Qualify on 40 Year Term, Max DTI 35%, Stated 45% VIVA)					Points to Broker: <u>0</u> %					Rebate: <u>0</u> %					Margin/Floor: <u>0</u> %					Life Cap: <u>11.25</u> % (11.25% on rebates > 2%)					If the above is left blank, loan will be priced with a 6 point rebate.					Max Points/Rate: 4 Points + \$300 OR 4.25 + \$100 (1WVA)					STEP 7 - CHOOSE TERM: <input checked="" type="checkbox"/> 30 Years <input type="checkbox"/> 40 Years					STEP 8 - SUBMISSIONS:					Appraisal Report: <input checked="" type="checkbox"/> No MI will be submitted via E-mail to: <u>submit@firstfederalca.com</u> 4/26/08					Data submitted will submit:					Underwriter Review: <input checked="" type="checkbox"/> An FFB Underwriter has previously reviewed this file.					Underwriter Name:					Loan Fees Total \$659 (comprised of: Underwriting: \$300 Docs: \$250 Redraw Charge: \$250 Tax/Flood/Wire: \$109)				
> 85% LTV SIVA or VIVA					> 700 FICO on SIVA					> 10 bps					> 10 bps					> 10 bps					NOTICE: See Prep Notice for LTV. See Rate sheet for additional add's and deduct's to raise. Non-Owner loans are only available on the Standard Monthly Adjustable.					STEP 6 - TOTAL RATES FROM RATE SHEET:					Date of Rate sheet: <u>5-986</u> %					Fully Indexed/Fully Amortized Qual. Rate: <u>5-986</u> %					IOK to Qualify on 40 Year Term, Max DTI 35%, Stated 45% VIVA)					Points to Broker: <u>0</u> %					Rebate: <u>0</u> %					Margin/Floor: <u>0</u> %					Life Cap: <u>11.25</u> % (11.25% on rebates > 2%)					If the above is left blank, loan will be priced with a 6 point rebate.					Max Points/Rate: 4 Points + \$300 OR 4.25 + \$100 (1WVA)					STEP 7 - CHOOSE TERM: <input checked="" type="checkbox"/> 30 Years <input type="checkbox"/> 40 Years					STEP 8 - SUBMISSIONS:					Appraisal Report: <input checked="" type="checkbox"/> No MI will be submitted via E-mail to: <u>submit@firstfederalca.com</u> 4/26/08					Data submitted will submit:					Underwriter Review: <input checked="" type="checkbox"/> An FFB Underwriter has previously reviewed this file.					Underwriter Name:					Loan Fees Total \$659 (comprised of: Underwriting: \$300 Docs: \$250 Redraw Charge: \$250 Tax/Flood/Wire: \$109)									
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*For reduced doc loans (NINA, SIVA, SIVA) Broker Certification will be required at time of doc. See page 2.
www.firstfederalca.com/brokerinfo

Loan Submission Sheet - Page 1 of 2

PROOF OF SERVICE

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen and not a party to the within action. My business address is Hemar, Rousso & Heald, LLP. ("the business") 15910 Ventura Boulevard, 12th Floor, Encino, CA 91436.

I am readily familiar with the business's practice for collection and processing of correspondence for mailing with the United States Postal Service; such correspondence would be deposited with the United States Postal Service the same day of deposit in the ordinary course of business.

On May 20, 2008, I served the foregoing document described as **DECLARATION OF CAROL BAXTER IN SUPPORT DEFENDANT'S REPLY TO OPPOSITION TO MOTION TO DISMISS PLAINTIFFS' AMENDED COMPLAINT AND COMPLAINT IN RELATED CASE** on the interested parties in this action by placing a true and correct copy thereof in a sealed envelope addressed as follows:

DEBORAH E. JOHNSON
PO Box 4448
Carmel, CA 93921-4448

GERALD D. JOHNSON
PO Box 4448
Carmel, CA 93921-4448

XX At my business address, I placed such envelope for deposit with the Federal Express or
XX U.S. Postal Office by placing them for collection and mailing on that date following
ordinary business practices.

I delivered such envelope(s) by hand to the offices of the addressees.

I caused such copies to be facsimiled to the persons set forth.

XX (State) I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

(Federal) I declare under penalty of perjury under the laws of the United States of America that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Executed on May 20, 2008 at Encino, California.

Lisa Fields
LISA FIELDS